

Message Text

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PAGE 01 WELLIN 00341 282318Z
ACTION EA-09

INFO OCT-01 EUR-12 IO-13 ISO-00 AID-05 CIAE-00 COME-00
EB-08 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04
OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05
SS-15 STR-04 CEA-01 /116 W
-----291018Z 098483 /22

R 280334Z JAN 77
FM AMEMBASSY WELLINGTON
TO SECSTATE WASHDC 2645
INFO AMEMBASSY CANBERRA
USMISSION MTN GENEVA
USMISION OECD PARIS

UNCLAS WELLINGTON 0341

E.O. 11652: N/A
TAGS: EALR, EFIN, ETRD, NZ
SUBJECT: DECEMBER CURRENT ACCOUNT DEFICIT LARGEST FOR 1976

REF: 76 WELLINGTON 4715

1. THE RESERVE BANK OVERSEAS EXCHANGE
TRANSACTIONS RELEASED JANUARY 28 SHOW A
\$113 MILLION CURRENT ACCOUNT DEFICIT FOR THE MONTH OF DECEMBER 1976.
THIS IS SOME \$22 MILLION MORE THAN THE NEXT LARGEST 1976
MONTHLY DEFICIT WHICH WAS SEPTEMBER. THIS LARGE DEFICIT
DEVELOPED DESPITE AN INCREASE IN EXPORT RECEIPTS FOR DECEMBER TO
\$255 MILLION, EXCEEDED ONLY IN THREE OTHER MONTHS OF 1976. IMPORT
PAYMENTS JUMPED TO \$285.5 MILLION IN DECEMBER,
HIGHEST MONTHLY FIGURE IN 1976. PRIVATE IMPORT PAYMENTS
ACCOUNTED FOR \$275.5 MILLION, THE HIGHEST MONTHLY IMPORT
PAYMENT ON RECORD. INVISIBLES RECEIPTS DROPPED SLIGHTLY
TO \$62 MILLION AND INVISIBLES PAYMENTS ROSE TO A RECORD
\$145 MILLION. OF THIS NEARLY \$112 MILLION WAS IN THE
PRIVATE SECTOR.

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PAGE 02 WELLIN 00341 282318Z

2. CAPITAL RECEIPTS FOR DECEMBER ROSE TO \$183
MILLION (A FIGURE EXCEEDED ONLY IN JULY 1976). OF THIS
\$109 MILLION WAS GOVERNMENT BORROWING. IMF DRAWINGS
WERE NEARLY \$60 MILLION. CAPITAL PAYMENTS DROPPED TO
\$26 MILLION, OF WHICH \$24 MILLION WERE PRIVATE. FOREIGN
EXCHANGE RESERVES INCREASED \$125 MILLION IN DECEMBER.

3. THE CURRENT ACCOUNT DEFICIT FOR 1976 TOTALLED \$623 MILLION, COMPARED WITH \$985 MILLION FOR 1975. EXPORT RECEIPTS TOTALLED \$2,928 MILLION COMPARED WITH \$1,876 MILLION FOR 1975. RECIEPTS FOR MEAT ROSE TO (784 MILLION, COMPARED WITH \$514 MILLION IN 1975. WOOL RECEIPTS REACHED \$611 MILLION (VS \$319 MILLION FOR 9175), BUTTER WAS \$199 MILLION (VS \$147 MILLION FOR 1975). CHEESE RECEIPTS FELL SLIGHTLY TO \$71. MILLION. ANOTHER BIG GAINER WAS FOREST PRODUCTS WHICH ROSE TO \$243 MILLION (FROM \$154 MILLION IN 1975). MANUFACTURED EXPORTS CONTINUED THEIR STRONG GROWTH DURING THE YEAR TO REACH \$436 MILLION (UP FROM \$267 MILLION IN 1975).

4. IMPORT PAYMENTS REACHED \$2,938 MILLION, SOME \$463 MILLION GREATER THAN 1975. INVISIBLES PAYMENTS TOPPED \$1,246 MILLION (VS \$946 MILLION IN 1975). OF THIS \$1 BILLION WAS IN PRIVATE INVISIBLES PAYMENTS.

5. CAPITAL RECEIPTS TOTALLED \$965 MILLION (VS \$1,039 MILLION IN 1975). OF THIS \$431 MILLION WAS IN GOVERNMENT BORROWING, \$98 MILLION IN OTHER OFFICIAL RECEIPTS AND PRIVATE CAPITAL RECEIPTS TOTALLED \$436 MILLION. IMF DRAWINGS REACHED \$171 MILLION.

6. CAPITAL PAYMENTS FOR THE YEAR ROSE TO \$518 MILLION (VS \$375 MILLION IN 1975). OF THIS \$235 MILLION WAS IN GOVERNMENT DEBT REPAYMENTS, \$104 MILLION IN OTHER OFFICIAL PAYMENTS AND \$180 MILLION IN PRIVATE UNCLASSIFIED

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PAGE 03 WELLIN 00341 282318Z

CAPITAL PAYMENTS.

7. OFFICIAL FOREIGN EXCHANGE RESERVES ROSE \$134.5 MILLION DURING THE YEAR AND RESERVES STOOD AT \$679 MILLION AT THE END OF THE YEAR.

8. THE RESERVE EXCHANGE FIGURES FOR 1976 AND 1975 ARE NOT STRICTLY COMPARABLE BECAUSE NZ DEVALUED SEVEN PER CENT IN LATE NOVEMBER 1976 AND REVALUED AGAIN A FEW DAYS LATER BY TWO PERCENT. IN NOVEMBER BEFORE DEVALUATION \$NZ1 EQUALLED APPROXIMATELY \$US1 AND ON DECEMBER 31, 1976 THE RATE WAS .9550. SELDEN

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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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Errors: n/a
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Original Classification: UNCLASSIFIED
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Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
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Secure: OPEN
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Subject: FOREIGN EXCHANGE TRANSACTIONS
TAGS: EALR, EFIN, ETRD, NZ
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/8d5e70da-c288-dd11-92da-001cc4696bcc
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22 May 2009
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